

lent to one cent per gallon are specifically assigned to the support and liquidation of the \$200,000,000 bond issue of 1949. On the other hand a refund of five cents per gallon of the seven cents collected is made to applicants who certify that the gasoline involved was used in other than roadway vehicles, i. e., farm tractors, stationary motors, maritime craft, etc. For the 12 months period ending Sept. 30, 1953 over \$2,000,000 was refunded on this basis, the major portion of which (67%) was classified as pertaining to agriculture. Refund applications in the amount of \$133,570 (2,671,385 gals.) were honored from maritime interests, mostly small boat operators. In this connection it has been estimated that less than 25 per cent of the transient out-of-state pleasure craft owners take advantage of this refund privilege.

The Agriculture Fund operates on a much smaller budget (approximately \$2,000,000 in 1952-53) over one-fourth of which was advanced from the General Fund. Its other revenues are derived from various inspection and license fees, the fertilizer and feed taxes, etc. Of interest is the recently (Jan., 1952) inaugurated "Nickels for Know-How" assessment of five cents per ton on the sales of commercial feed and fertilizer. A total of over \$286,000 was collected during the first two years of the program. The proceeds are turned over to the Agricultural Foundation of N. C. State College and used in support of research programs.

Employment taxes, the current condition of the trust fund maintained by these taxes, and the State laws regulating their administration are all favorable to new industries locating in North Carolina. The average employment tax rate as applied by this State is among the lowest in the nation. In 1953 the estimated overall average rate for the 14,083 active employer accounts was 1.05 per cent of the taxable payroll. Although the federally required standard rate of 2.7 per cent is assigned initially reductions below this rate are extended to employers who qualify with favorable employment experience records during the previous three years. As a result, some 11,660 accounts were assigned rates below the 2.7 per cent standard and averaged .89 per cent. Of these, approximately 2400 accounts qualified for the minimum rate of 0.1 per cent. In terms of dollars the overall average unemployment insurance cost per worker in this State was \$31.50 based upon the 1953 average employer rate (1.05%) and the full \$3000 taxable wage base. It is reported that comparable insurance costs in some industrial states run as high as \$81.00. North Carolina's rating formula has been liberalized by each of the past three General Assemblies, yet the trust fund balance has continued to grow, reaching a total of \$175,750,000 by the end of 1952.

In North Carolina, as in most states, local governments derive the major part of their operating revenues from taxes on tangible property. However, local units have been able to hold these property taxes at a comparatively low level due to the fact that the State government has assumed the financial obligation for a major portion of the two most costly public services - schools and roads. In this respect there is, perhaps, no state comparable to North Carolina in the degree to which the responsibility for financing local government functions is discharged at the state level. Since 1933 the only local educational expenditure is that required to furnish and maintain the school buildings, and even on this item material help has been advanced from the General Fund surplus in the amounts of \$50,000,000